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SUBJECT: Media Reaction to Obama-Lula Meeting March 14 2009

¶1. (U) SUMMARY: On March 14, 2009 President Obama met with President Lula of Brazil in Washington, D.C. at the White House and the meeting was covered extensively by the Brazilian media. The following media reaction cable summarizes some of the Sao Paulo based Brazilian media reports published on Sunday, March 15. The summaries focus on the economy, G-20, Sean Goldman case, the personal relationship between the two presidents and MFA-former Ambassador comments. END SUMMARY

Obama and Lula Discuss Economy, Biofuels and G-20

¶2. (U) Main articles in Estado and Folha emphasize the agenda discussed by Presidents Obama and Lula during their 2-hour meeting on Saturday- March 14. According to reports, the presidents have asked their high-level officials to develop a joint strategy to combat the global economic crisis in the upcoming weeks. The proposal is to be presented by the two leaders at the G-20 meeting in April. "Obama's proposal to form a Brazil-U.S. group in order to work jointly in the G-20 was extremely important," said President Lula in a press conference. Folha highlights that President Obama invited Chief Economic Adviser Larry Summers to participate in the meeting. Folha also noted that Obama defended the goal of a global, coordinated action in order to counter the current world recession. Lula once more declared that the U.S. is largely responsible for the financial crisis and offered that [the U.S.] nationalizing banks is part of the solution.

Folha states that "the alliance established between the world's richest nation and Latin America's largest economy around the economic crisis marks a new stage in the bilateral relations." Estado and Folha say that Obama and Lula seemed at ease and in a good mood, exchanging jokes throughout the joint press availability. But there were also disagreements when the issue of ethanol came up. Obama acknowledged that biofuels have been "a source of tension between the two countries." Lula said he could not understand why a clean fuel such as ethanol is heavily taxed, but added: "I never expect an immediate answer. It is a process." Obama agreed that the issue is "not going to change overnight." According to Valor Econtmico, Lula stated that associating ethanol in efforts to fight global warming has become the most auspicious area to deepen U.S.-Brazil relations.

According to reports, Obama and Lula committed to fighting protectionism and Secretary of State Hillary Clinton and Foreign Minister Celso Amorim will meet to discuss ways to do so. But the presidents were pessimistic about advances in global trade. "Our goal is to at least not go backwards. It may be difficult for us to finalize a whole host of trade deals in the midst of an economic crisis like this one," Obama said.

Sources: Folha de S.Paulo A4: "Obama and Lula discuss action to combat crisis and trade tension"; O Estado de S.Paulo A4: "Lula meets Obama and announces joint action for G-20 summit"; O Estado de

S.Paulo A8: "U.S. president warns that barriers to ethanol will not be lifted now"; Valor Economico A3 (Monday edition): "Lula-Obama meeting diminishes chances for Doha"

Sean Goldman Case

13. (U) Side stories say that during a press conference, President Lula confirmed that President Obama raised the topic of the Sean Goldman case. "Obama thanked the Brazilian government's actions that led to the case being heard by a Brazilian federal court. We hope that the judiciary does what it has to do; I am not a lawyer and I cannot give an opinion. Whatever decision is reached, the Brazilian government will comply with it," stated Lula. Folha also mentions that while President Obama and President Lula met, a group of supporters of David Goldman held a demonstration outside the White House.

Sources: O Estado de S.Paulo A4: "American mentions Sean case"; Folha de S.Paulo A14: "Obama thanks Brazil for taking dispute over boy to federal court"

Obama- You must be talking to my wife

14. (U) The two Folha articles state that the meeting between President Obama and President Lula was surrounded by the same expectation from both sides: that it would mark the beginning of a cordial and close relationship between the two leaders. Stories highlight that President Lula was the third head of state to meet President Obama at the White House. Diplomats from both countries say the choice of meeting with Lula shows that Brazil is stable politically and economically; that it an undisputed leader in Latin America and also an emerging country in the global arena. During the joint press avail, in what has been labeled a gaffe by the press, Lula told reporters he did not want to be holding the "hot potato" the U.S. president has in his hands, prompting Obama to laugh and tell Lula that "it sounds like you've been talking to my wife." By-liners remembered that in 2007 President Lula caused then President Bush to laugh when he stated that Brazil and the U.S. had reached the "G-spot" of the bilateral relations.

Reports also quote President Obama saying he is looking forward to visiting Brazil and that he is aware he has many "friends" in the country. Asked about a date for the visit, Obama said nothing has been decided yet, but as far as destinations go, he would like to see the "beautiful beaches" in Rio and perhaps do to the Amazon, joking that Republicans probably would like to see him get lost there for a while.

Sources: Folha de S. Paulo A8: "In the bilateral relations, out with the 'G-spot' and in with the 'hot potato'"; Folha de S. Paulo A8: "Meeting allows presidents to become close"; O Estado de S.Paulo: "You must be talking to my wife," jokes host.

Comments from MFA and former Brazilian Ambassadors

15. (U) Estado story states that last week when trying to summarize the U.S.-Brazil bilateral relations, Foreign Minister Celso Amorim acknowledged that the agenda has shown small progress, aside from the cooperation in the energy sector. Paper says that the stall in relations dates to the Clinton-Cardoso era. Estado points out that since Lula first met Bush in 2003 promising a successful conclusion to the FTAA, the trade accord fell through the cracks, the Doha Round 'shows no vital signs' and Brazil had no other path to negotiate opening of the U.S. market. Brazil's claim for support towards a seat as a permanent member of the UN Security Council has also gone unanswered, says story citing that when asked about it in 2006, A/S Thomas Shannon "choked, took a step back, laughed and did not respond." At the same time, Estado affirms that in 2005 the White House unsuccessfully tried to engage Brazil in a partnership to stop democracy from eroding in Latin America. By refusing to intervene, Brazil received the White House's blessings to deal with regional leaders, thus consolidating its hegemony in South America.

Two former Brazilian ambassadors to the U.S. --Roberto Abdenur and Rubens Barbosa--commented on the meeting between Presidents Obama and Lula. Roberto Abdenur expressed optimism and said even if the two do not enjoy the same "impressive chemistry" displayed by Lula and Bush; the link between the two countries is determined more by

concrete facts than by personal ties. Abdenur also believes that since Brazil overcame the issue of the external debt, the U.S. started regarding the country as a leader with the potential to become a partner, thus becoming "part of the solution." Meanwhile, Rubens Barbosa states that he believes the meeting will not solve the pending issues between the two countries, but it positions Brazil as a "privileged interlocutor" of the U.S. administration.

Sources: O Estado de S.Paulo A8: "Bilateral agenda suffers from immobility"; Folha de S. Paulo A14: "Former ambassador says meeting has a 'symbolic value'"; O Estado de S.Paulo A9: "'Brazil is part of the solution for the U.S.'"

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